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Message Text

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62R
ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 ONY-00 CCO-00 /028 W
---------- 037183
O 272000Z SEP 76
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC IMMEDIATE 8008
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

C O N F I D E N T I A L SECTION 1 OF 2 BRASILIA 8298

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C O R R E C T E D C O P Y - TEXT LAST PARA IV. (4)

E.O. 11652: N/A
TAGS: PFOR, PR, US; BR
SUBJ: FIRST MEETING OF US-BRAZIL HIGH LEVEL CONSULTATIVE MECHANISM,
OCTOBER 4 - 5 - SCOPE AND AGENDA

REF: (A) BRASILIA 7737; (B) STATE 213232; (C) BRASILIA
8126; (C) STATE 230708; (C) BRASILIA 8094

1. SUMMARY. THIS MESSAGE, AMPLIFYING REFTEL A, SETS FORTH EMBASSY'S SUGGESTIONS ON THE AGENDA OF THE FIRST MEETING OF THE HIGH LEVEL CONSULTATIVE MECHANISMS AS DEVELOPED WITHIN MISSION PRIOR TO AMBASSADOR'S DEPARTURE. ALSO INCLUDED ARE SUGGESTED SCENARIO-AGENDAS FOR THE PROPOSED BILATERALS WITH SECRETARIES BUTZ AND RICHARDSON, AMBASSADOR DENT, AND ERDA ADMINISTRATOR SEAMANS. END SUMMARY.

PART I: MEETING UNDER HIGH LEVEL CONSULTATIVE MECHANISM

2. FOLLOWING IS A PROPOSED AGENDA FOR THE MEETINGS UNDER THE HIGH LEVEL MECHANISM.

A. REVIEW OF PROGRESS IN CONSULTATIONS
(1) VISIT OF CNPQ PRESIDENT DION TO WASHINGTON
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(2) SECOND MEETING OF SUB-GROUP ON TRADE

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(3) SECRETARY SIMON'S VISIT TO BRAZIL
(4) MINISTER UEKI'S VISIT TO THE US
(5) CONSULTATIONS BY ASSISTANT SECRETARY LEWIS AND MR. CHARLES FRANK IN BRASILIA
(6) US PROPOSAL FOR ESTABLISHMENT OF CONSULTATIVE TECHNICAL SUB-GUP ON SOYBEANS
(7) THIRD MEETING OF SUB-GROUP ON TRADE IN BRASILIA
(8) SECOND CONSULTATION ON BILATERAL NUCLEAR AGREEMENT BY DEPUTY ASSISTANT SECRETARY KRATZER
AND ERDA ASSISTANT ADMINISTRATOR SIEVERING IN RIO DE JANEIRO.
(9) FIRST MEETING OF SUB-GROUPS ON ENERGY R AND D AND COOPERATION IN SCIENCE AND TECHNOLOGY.
NOTE: POLICY PLANNING TALKS AND INSTRUCTIONS ON SOYBEANS CONSULTATIVE TECHNICAL SUBGROUP ARE PENDING.
B. MAJOR GLOBAL ISSUES
(1) SOUTHERN AFRICA -- STATUS AND OUTLOOK
(SECRETARY WOULD LEAD THIS OFF; SILVEIRA MAY REITERATE HIS OPPOSITION TO IDEAS CIRCULATING IN SOUTHERN CONE COUNTRIES ABOUT A "SOUTH ATLANTIC ALLIANCE" TO CONTAIN SOVIET-CUBAN PRESENCE.)
(2) UNGA ISSUES
-MIDDLE EAST
-TERRORISM
-SOUTHERN AFRICA
(3) LOS: PRESENT STATUS AND OUTLOOK
(4) CHINA POST-MAO
(DISCUSSION PRIMARILY BY SECRETARY.)
(5) GEISEL VISITS - BRAZIL'S CLOSER TIES WITH EUROPE AND JAPAN
(SECRETARY WOULD INVITE SILVEIRA TO COMMENT, WOULD MAKE IT CLEAR THAT BRAZIL'S DEVELOPMENT OF CLOSE LINKS WITH THESE COUNTRIES POSES NO PROBLEMS FOR US, PARTICULARLY IF SILVEIRA SHOULD CHOOSE TO WARN AGAIN THAT "BRAZIL HAS OPTIONS".)
(6) WORLD ECONOMIC OUTLOOK; PROSPECTIVE OPEN PRICE INCREASE
(7) NORTH-SOUTH ISSUES
-CIEC MINISTERIAL
-UNCTAD COMMODITIES DISCUSSIONS
-IRB
-IEI
-MTN
(8) NUCLEAR NON-PROLIFERATION ISSUES
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-RESULTS OF BILATERAL TALKS ON POSSIBLE REVISION OF BILATERAL AGREEMENT
(9) EURO COMMUNISM- PROBLEMS AND PROSPECTS (PRIMARILY FOR THE SECRETARY)
(10) HUMAN RIGHTS ISSUES

III. REGIONAL ISSUES
(1) OAS SPECIAL GA'S

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-DEVELOPMENT
-OAS REFORM
(2) TECHNOLOGY: SECRETARY'S SANTIAGO INITIATIVES
(3) PANAMA: STATUS AND OUTLOOK
(4) GUYANA (CUBA)
-SILVEIRA - WILLS MEETING

IV. BILATERAL ISSUES
(1) COFFEE
(2) PROBLEMS IN BILATERAL TRADE:
-OPERATION OF SIMON-SIMONSEN AGREEMENT
(STATUS IN CONGRESS OF HANDBAGS ISSUE,
NEW SECTION 201 ITC INVESTIGATION ON SHOES, AND COTTON YARN)
-IMPROVEMENTS IN GSP
-SCISSORS
(3) PROBLEMS IN BILATERAL TRADE: BRAZILIAN IMPORT RESTRIC-
TIONS
-APPLES AND PEARS
-LIGHT AIRCRAFT
-DISCRIMINATION IN AVIATION AREA (FUEL TAX)
(4) BILATERAL SHRIMP FISHERIES AGREEMENT
(IF WASHINGTON IS IN A POSITION TO COMMENT)
(5) MERCHANT MARINE PROBLEM
-BLACKWELL VISIT

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ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 ONY-00 ARAE-00 CCO-00 /028 W
---------- 034648
O R 272000Z SEP 76
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC IMMEDIATE 8009
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

C O N F I D E N T I A L SECTION 2 OF 2 BRASILIA 8298

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(6) HOWITZERS AND MORTARS
(SILVEIRA MAY RAISE PROBLEM OF ACQUISITION BY BRAZILIAN
MILITARY OF SOPHISTICATED EQUIPMENT)

PART II: BILATERAL MEETINGS

A. MEETING WITH SECRETARY BUTZ
SECRETARY BUTZ MAY INQUIRE OF SILVEIRA ABOUT BRAZIL'S
EXPORT PERFORMANCE (55 PERCENT OF EXPORTS ARE AGRICULTURAL)
AND OFFER A REVIEW OF PROSPECTIVE WORLD MARKET
TRENDS IN THE COMMODITIES OF PRIMARY CONCERN TO BRAZIL
ON SOYBEANS, SUGAR, CORN, AND WHEAT.

4. SPECIFIC ISSUES THE SECRETARY MAY WISH TO ADDRESS:

(1) US SUGAR POLICY (INCLUDING THE RECENT US TARIFF INCREASE.

(2) US CONCERNS OVER BRAZILIAN DISCRIMINATORY IMPORT
RESTRICTIONS

- APPLES AND PEARS

(3) THE MTN, SPECIFICALLY THE NEGOTIATIONS ON AGRICULTURE
WITH THE EC: COMMOMASS-BRAZILIAN INTERESTS.
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(4) US EXPECTATIONS FOR THE PROPOSED SOYBEAN CONSULTATIVE
TECHNICAL GROUP.

(5) JOINT RESEARCH ON AGRICULTURE (SCIENCE AND TECHNOLOGY
SUBGROUP).

5. SECRETARY BUTZ SHOULD BE PREPARED TO REIVF TO POSSIBLE
SILVEIRA INTERVENTIONS IN THE FOLLOWING AREAS:

(1) BRAZILIAN COMPLAINTS ON CCC CREDITS.

(2) ALLEGED US UNHAPPINESS WITH BRAZILIAN SOYBEAN EXPORTS
AND JAPANESE ROLE IN THE CERRADO DEVELOPMENT PROGRAMS (SEE
STATE 237064).

B. MEETING WITH SECRETARY RICHARDSON

6. SECRETARY RICHARDSON MAY WISH TO ASK SILVEIRA ABOUT
BRAZIL'S ECONOMIC PERFORMANCE AND THE ROLE OF FOREIGN
INVESTMENT. HE SHOULD EMPHASIZE A CONTINUING US INTEREST
IN THE PARTICIPATION OF US FIRMS IN THE DEVELOPMENT OF BRAZILIAN
INDUSTRY IN CONFORMANCE WITH BRAZILIAN PRIORITIES AND
ENDORSE SECRETARY SIMON'S OFFER TO GIVE DISTRIBUTION,

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THROUGH USG CHANNELS, OF INVESTMENT OPPORTUNITIES IN BRAZIL. THE SECRETARY MAY THEN WISH TO REVIEW THE OUTLOOK FOR THE US ECONOMY, PARTICULARLY THE OUTLOOK FOR US EXTERNAL TRADE AS IT RELATES TO BRAZIL'S EXPORT DRIVE.

7. SPECIFIC ISSUES THE SECRETARY MAY WISH TO ADDRESS:

(1) THE OUTLOOK FOR POSSIBLE US IMPORT RESTRICTIONS THAT MIGHT ADVERSELY AFFECT BRAZIL.

(2) BILATERAL TRADE ISSUES: US CONCERN OVER DISCRIMINATORY BRAZILIAN IMPORT RESTRICTIONS AND PRACTICES

- LIGHT AIRCRAFT

- APPLES AND PEARS

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- AVIATION PROBLEMS (FUEL TAX)

A SHIPPING SUBSIDIES

(3) US BRAZIL BUSINESS COUNCIL

(4) NORTH-SOUTH MUALOGUE

(5) ASPECTS OF LOS OF MUTUAL INTEREST

(6) US POLICY ON ILLEGAL PAYMENTS

(7) USDOC INTEREST IN BINATIONAL S/T COOPERATION.

8. SECRETARY RICHARDSON SHOULD BE PREPARED TO RESPOND TO EXPRESSIONS OF CONCERN BY SILVEIRA ON:

(1) THE MAGNITUDE OF THE BILATERAL TRADE DEFICIT.

(2) THE ALLEGED US FAILURE IN CRITICIZING BRAZILIAN IMPORT POLICIES TO TAKE FULLY INTO ACCOUNT BRAZIL'S BALANCE OF PAY-MENTS PROBLEM.

(3) UNSUFFICIENT ATTENTION IN THE MTN TO THE NEED TO PROVIDE SPECIAL AND DIFFERENTIAL TREATMENT TO LDCS.

C. MEETING WITH GOVERNOR DENT

9. GOVERNMENT MAY WISH TO REVIEW THE OUTLOOK FOR THE US ECONOMY. HE THEN WILL WISH TO ASK SILVEIRA ABOUT HIS VIEWS ON THE STATE OF US-BRAZIL TRADE RELATIONS AND

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COMMENT ON BILATERAL ISSUES AND THE RANGE
OF ISSUES IN THE MTN.

10. POSSIBLE CONCERNS SILVEIRA MAY EXPRESS: SAME AS WITH
SECRETARY RICHARDSON.

E. MEETING WITH ERDA ADMINISTRATOR SEAMANS

11. THE ADMINISTRATION MAY WISH TO ASK ABOUT BRAZIL'S
ENERGY SITUATION. HE MIGHT THEN REVIEW THE STATUS OF US
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ENERGY POLICY, THE WORLD ENERGY OUTLOOK, AND THE MAJOR
DIRECTIONS OF THE US R&D EFFORT, HIGHLIGHTING US EFFORTS TO
PROMOTE BINATIONAL AND MULTINATIONAL COOPERATION WITH
OTHER COUNTRIES UNDER THE ENERGY R&D PROGRAM.

12. SPECIFIC ISSUES THE ADMINISTRATOR MAY WISH TO ADDRESS:

(1) SPECIFIC POSSIBILITIES FOR ACCELERATING BINATIONAL
ENERGY R&D COOPERATION (SUBGROUP ON ENERGY R&D).

(2) THE RECENT BILATERAL TALKS ON POSSIBLE REVISION OF THE
BILATERAL NUCLEAR COOPERATION AGREEMENT; US POLICY ON NUCLEAR
NON-PROLIFERATION, CONGRESSIONAL CONCERNS, POSSIBLE EXECUTIVE-
LEGISLATIVE COMPROMISE; FUTURE US POLICY ON NUCLEAR FSRYD
ENRICHMENT AND NUCLEAR TECHNOLOGY EXPORT.
JOHNSON

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